



## Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact [support@jstor.org](mailto:support@jstor.org).

## THE VALUE OF GOOD WILL AND COOPERATION IN INDUSTRY

HON. HERBERT C. HOOVER

Secretary of Commerce

**T**HERE are two problems uppermost in the mind of the country today—limitation of armament in both international and industrial relations. There is a definite analogy in the mental processes and the problems of these two issues. In one case it is the consideration of international war, but in the other case we are concerned with an equally destructive economic war.

We are all looking for a way out. We want disarmament in both these arenas of combat. We want disarmament not alone because of the saving of taxes and of waste, not alone because we wish to secure increased production and higher standards of living, but also because the march of civilization will proceed only so fast as we can find tranquility in both these directions.

These issues are more dominant today simply because the advance of scientific knowledge and mechanical equipment, and the complexity of our interdependence, are such as to render warfare in either of these fields infinitely more destructive year by year.

We all realize that we cannot expect complete disarmament in either international or industrial relations until we have either advanced to ultimate good will or replaced settlement by combat by processes for determination and enforcement of justice. It is easy to state such abstract principles. It is not easy to organize good will, nor is it easy to discover the machinery for determining justice and the means of its enforcement.

These things cannot be found through empirical formulæ; they can only be dealt with through the growth of ideas and of institutions expressing these ideas. We require the development of social thought, of social ideals, and that requires time and patience. Ideas and their translation into institutions grow by small accretions and the growths can be accelerated by societies such as this, where the experience of the day is mobilized and reviewed, where false notions are sifted out and points of

departure made for further thought. Most of these ideas must find their realization in the industrial community itself—it is indeed infinitely better that they should—and some others of them will intrude themselves into the area of government whether we welcome them or not.

One idea of this order that I believe to be steadily developing in the community is a demand for differentiation between the basis of settlement of conflicts between employers and employees in two different categories of industry. First, the category of industries, such as transportation and the coal industry, where the continuous operation is vital to the life and safety of the community, where there is no alternative to some substitute service; and second, the category of industries the continuous operation of which may be interrupted without imperiling the life of the community. The public takes but a secondary interest in the conflicts that arise in the last group. It is impatient to find solution of conflicts in the first group.

There is a rising tide of feeling in the matter because we have a growing centralization of population in limited areas with a dependence upon transportation and coal for the clock-work movement of economic life, in which any stoppage brings immediate suffering and even ultimate peril to the community.

We have seen the growth of organization on the part of both employers on one side and employees on the other until they have reached a national basis and their very discussions now send economic shivers through the whole community even though they have no intent to engage in battle. The public is coming to believe, whether justifiably or not, that in this mobilization on both sides there may yet be a tendency on the part of these organizations to come to terms on such a basis as will pass their mutual charges on to the public.

As a result of these things we have seen the gradual extension of the arm of the public to these disputes, through both administrative and legislative action. We also witness this extension of public interest bitterly resented both by the employers and employees. The instinct of the public is self-preservation first and last. Where one or two per cent of the whole population may jeopardize the comfort and security of the other ninety-eight per cent, I do not believe that they can be restrained from exerting a commanding voice however much it may be resented by either side.

The thing that must concern us all is that the entrance of the third party into these disputes shall be in such form that it does not increase ill will, that it shall be in such form as will secure justice and preserve the very foundations of initiative and that type of American individualism upon which our whole social system is based. It must recognize the fundamental necessity of building up good will itself.

One of the causes of ill will that weighs heavily upon the community is the whole problem of unemployment. The recent conference, while dealing mainly with emergency matters, was concerned with nothing more earnestly than with the necessity of developing, first, further remedies for the vast calamities of unemployment in the cyclic periods of depression, and second, some assurance to the individual of reasonable economic security—to remove the fear of total family disaster in loss of the job. I am not one who regards these matters as insoluble. Thirty years ago our business community considered the cyclic financial panic inevitable. We know now we have cured it through the Federal Reserve system. The problem of unemployment requires study; it, like our banking system, requires a solution consonant with American institutions and thought. I know of no European plan that is applicable to American life. Many American industries are themselves finding solutions. There is a solution somewhere and its working out will be the greatest blessing yet given to our economic system, both to the employer and the employee. There are involved also in this great question of unemployment the problems of seasonal and intermittent industry. Some of them are incurable but some are not and every one cured is a contribution to the solution of these matters. An exhaustive study of these problems on a national scale is being undertaken by the President's Unemployment Conference and this study will be carried on by men active in industry itself.

In industry as a whole it seems to me that the Industrial Conference expressed the key to all advance in these relationships: "It is idle wholly to deny the existence of conflicting interests between employers and employees. But there are wide areas of activity in which their interests coincide. It is the part of statesmanship to organize identity of interest where it exists in order to reduce the area of conflict."